Testimony of

Daniel Hawkins, Jr.

Vice President, Federal, State, and Public Affairs

National Association of Community Health Centers, Inc.

Before the

House Energy and Commerce Subcommittee on Health

May 4, 2006

Mr. Chairman and Members of the Subcommittee, my name is Dan Hawkins and I am Vice President for Federal, State, and Public Affairs for the National Association of Community Health Centers. On behalf of America's Health Centers and the 15 million patients they serve, I want to express my gratitude for the opportunity to speak to you today about the federal Health Centers program and its role in expanding and enhancing access to health care services for medically-underserved individuals and families. NACHC and health centers appreciate the unwavering support that this Subcommittee has offered to health centers in carrying out their mission and we look forward to continuing to work with you to further strengthen the program to serve additional medically underserved communities.

Mr. Chairman, I have personally seen the power of health centers to lift the health and the lives of individuals and families in our most underserved communities during my time as a health center director in south Texas from 1971 to 1977. The health center is still in operation today, and has expanded to serve over 40,000 patients annually. The community empowerment and patient-directed care model thrives today in every health center in America and I am honored to be here to share with you their success story.

Background and History of the Health Centers Program

Conceived in 1965 as a bold, new experiment in the delivery of health care services to our nation's most vulnerable populations, the Health Centers program has a 41-year record of success that serves as an enduring model of primary care delivery for the country. Congress established the program as a unique public-private partnership, and has continued to provide direct funding to community organizations for the development and operation of health care systems that both address pressing local health needs and meet national performance standards. This federal commitment has had a lasting and profound effect on health centers and the communities and patients they serve in every corner of the country. Now, as in 1965, health centers are designed to empower communities to create locally-tailored solutions that improve access to care and the health of the patients they serve.

Current Statistics

Today, America's health centers serve almost 16 million people in every state and territory. Health centers provide care to 10 million people of color, 6 million uninsured individuals, 725,000 seasonal and migrant farmworkers, and 700,000 homeless individuals. Over 1,000 health centers are located in 3,600 rural, frontier, and urban communities across the country. The communities served by health centers are in dire need of improved access to care, and in many cases the centers serve as the sole provider of health services in the area, including medical, dental, mental health, and substance abuse services.

Patients can walk through the doors of their local health center and receive one-stop health care delivery that offers a broad range of preventive and primary care services, including prenatal and well-child care, immunizations, disease screenings, treatment for chronic diseases such as diabetes, asthma, and hypertension, HIV testing, counseling and treatment, and access to mental health and substance abuse treatment. Health centers also offer critically important enabling services designed to ensure that health center patients can truly access care, such as family and community outreach, case management, translation and interpretation, and transportation services.

As a result of health centers' focus on the provision of preventive and primary care services and management of chronic diseases, low-income, uninsured health center patients are more likely to have a usual source of care than the uninsured nationally. 99% of surveyed patients report that they were satisfied with the care they receive at health centers. Communities served by health centers have infant mortality rates from 10 to 40% lower than communities not served by health centers, and the latest studies have shown a continued decrease in infant mortality at health centers while the nationwide rate has increased. Health centers are also linked to improvements in accessing early prenatal care and reductions in low birth weight.

This one-stop, patient-centered approach works. The Health Centers program has been recognized by the Office of Management and Budget as one of the most effective and efficiently run programs in the Department of Health and Human Services (HHS). In fact, the Institute of Medicine and the Government Accountability Office have recognized health centers as models for screening, diagnosing, and managing chronic conditions such as cardiovascular disease, diabetes, asthma, depression, cancer, and HIV/AIDS. A major report by the George Washington University found that high levels of health center penetration among low-income populations results in the narrowing or elimination of health disparities in communities of color.

From Demonstration Program to Formal Authorization

The legislative history of the Health Centers program is one of continued reaffirmation of the patients' voice in the ownership and operation of their health care system. The Health Centers program began in rural Mississippi, and in inner-city Boston in the mid- 1960s, to serve rural, migrant, and urban individuals who had little access to health care and no voice in the delivery of health services. In 1975, Congress permanently established the Community Health Centers program at Section 330 of the Public Health Service Act and the Migrant Health Center program at Section 329, as part of the Community Health Extension Amendments Act. The 1975 authorization was also notable because it also formally established the patient-majority governing board, location of centers in high-need areas, and minimum service requirements for service in statute for the first time. In the 1980s and 1990s, the Health Care for the Homeless and Public Housing Health Centers Programs were created. In 1996, the Community, Migrant,

Public Housing and Health Care for the Homeless programs were consolidated into a single statutory authority within the Public Health Service Act (PHSA).

The Health Centers program was last reauthorized in 2002, as a part of the Health Care Safety Net Amendments Act. As you know, the program is scheduled for reauthorization this year. Health centers are grateful to the Subcommittee for its leadership role in strengthening and improving the Section 330 statute in 2002, further modernizing it to serve millions of new patients. During the 2002 reauthorization, this Committee and Congress importantly reaffirmed the program's four core elements, as it has consistently over the entire life of the program. These core elements, which have greatly contributed to its continued success, require that health centers: 1) be governed by community boards a majority of whose members are current health center patients, to assure responsiveness to local needs; 2) be open to everyone in the communities they serve, regardless of health status, insurance coverage, or ability to pay; 3) be located in high-need medically-underserved areas; and 4) provide comprehensive preventive and primary health care services.

2006 Reauthorization of the Health Centers program

As we look forward in the life of this 41-year experiment in community health empowerment, the National Association of Community Health Centers believes that the Health Centers program is already a well- proven model of care, with core elements that have stood the test of time. It is for that reason that NACHC fully supports the reauthorization of the program without changes; in other words, a "straight reauthorization." We believe that this is the best way to ensure that health centers can continue in their critical role in providing access to health care services in underserved communities.

I would like to extend a very special note of gratitude to Mr. Bilirakis and Mr. Green for introducing H.R. 5201, the "Health Centers Renewal Act," legislation that would provide for a straight reauthorization of the program through FY 2011 at an initial funding level of $1.963 billion in FY 2007. The bill, supported by many Members of the Subcommittee and full Committee, also continues intact the key program requirements that enable health centers to provide high quality, cost –effective care that is tailored to the specific health care needs of the

communities where they are located. We believe that H.R. 5201 provides the best starting point for this reauthorization and we hope that the legislation can serve as a marker for the successful renewal of the Health Centers program.

In Congress's previous reauthorizations of these bedrock requirements, it has sent a clear message that it sees patient involvement in health care service delivery as key to health centers' success in providing access and knocking down barriers to health care. In this reauthorization, nothing is more important than retaining the patient-majority board governance of health centers in our view. Active patient management of health centers assures responsiveness to local needs. This begins with community empowerment, through the patient-majority governing board that manages health center operations and makes decisions on services provided, and leads to the fulfillment of the other core elements of the program.

Through the direction and input of these community boards, health centers can identify their communities' most pressing health concerns and work with their patients, providers, and other key stakeholders to address these issues. This has been particularly valuable as health centers address and work to eliminate health disparities in their patient population. Board members with unique and direct community connections determine the best approach for removing barriers to health care, helping health centers to meet their patients where they are, not where someone might want them to be. The critical, distinguishing feature of the health center model of community empowerment is that the community has been directly involved in virtually every aspect of the centers' operations, and, in turn, each health center has become an integral part of its community, identifying the most pressing community needs and either developing or advocating for the most effective local solutions.

I also want to expand on the other core features of the Health Centers program, each of which has played a key role in the continued success of the program. First, health centers are unique among health providers and systems in the federal statutory requirement that they be open to all in the community regardless of ability to pay. Like the community board requirement, this element is what links health centers to the local neighborhoods they serve. There is no cherry picking at health centers; everyone – the uninsured, underinsured, those on Medicaid and Medicare, and those who have private coverage can receive quality health care at health centers.

Health centers are interested in addressing health needs on a community-wide basis, and the requirement that they be open to all in the areas they serve allows them to do just that.

Second, health centers are required under the statute to be located in high-need, medically-underserved areas. In reauthorizing the provision in 2002, Congress sought to ensure that much-needed, precious resources were allocated to the communities most in need of health center services. Location of health centers in federally-designated MUAs prevents the duplication of services, and establishes health centers in identified underserved communities where there are well-documented gaps in care.

Third, health centers are distinctive in the broad range of required and optional primary and preventive health and related services they provide under Section 330. This also includes a range of enabling services that ensure optimal access to care. In 2002, Congress not only reauthorized this requirement, but added to the list by including appropriate cancer screenings and specialty referrals as required services and behavioral health, mental health, substance abuse, and recuperative care treatment as optional services that health centers may provide.

We believe that these core statutory requirements provide the crucial framework for success of the Health Centers program. The program simply would not be where it is today without these critical elements. We commend Congress for safeguarding these requirements in every previous reauthorization of the Section 330 program since its inception and urge you to renew these core elements in this reauthorization.

Health Centers Meeting New Challenges

In their four-decade history, health centers have faced down and overcome many challenges. Health centers in the 21st century are now facing two particularly tough challenges: first, the struggle to provide health care services in the wake of natural disasters, and second, the uphill battle against the growing shortage of health care providers in underserved communities.

Even as access to health care services has expanded through the growth of the Health Center program, center administrators and community boards are coping with a dramatic decline in both the number of graduating medical students choosing a primary care field and in the number of

dental students. This reality led the American College of Physicians (ACP), in a recent report, to warn that the nation's primary care workforce – which it called "the backbone of our health care system" – is, in its own words, "on the verge of collapse."

The ACP report noted that too few young physicians are going into primary care, while 35% of all currently practicing physicians are already over the age of 55 and will soon retire. Indeed, over the past 8 years alone, the number of Family Practice residents has fallen 22%, while the overall number of medical residents has risen 10%.

There is a very direct connection between the findings of that report and those in a more recent article in the Journal of the American Medical Association (JAMA), which found significant vacancies in physician and other health professions positions at health centers across the country. Not surprisingly, the greatest vacancy rates were in rural and inner-city health centers, ranging from 19% to 29% of their current workforce. By discipline, there were vacancies for more than 760 primary care physicians, 290 nurse practitioners, physician assistants, and nurse midwives, and 310 dentists. Health center vacancy rates nationwide varied from 13% for primary care physicians to 7% for non-physician providers and 18% for dentists. While health centers, as they have always done, continue to make lemonade out of lemons, they could use some additional assistance from Congress in this endeavor.

Health Center Rely on Other Key Programs to Address Challenges

Health centers believe that one key solution to addressing workforce challenges is the reauthorization of the National Health Service Corps (NHSC) program, as its authority also expires this year. Health centers thank the Committee for reauthorizing the program in 2002 and for designating health centers as Health Professional Shortage Areas for NHSC placements. Renewal of the NHSC is critical to ensure that there are adequate numbers of health care providers to deliver care to health center patients. As many of you know, the Health Centers and National Health Service Corps programs have grown up together, and have weathered innumerable storms over the years. In that time, the one constant in the relationship between health centers and the Corps has been the decades-old connection to local communities and a commitment to fill the gaps in our health care safety net. This foundation in the community spurred the establishment of both programs, guides their current operations, and will fuel their

growth and expansion to more underserved communities in the years to come. Nearly 4,000 NHSC clinicians, including physicians, dentists, nurse practitioners, physician assistants, nurse midwives, and behavioral health professionals, currently provide health care services to millions of medically underserved Americans. Approximately 50% of NHSC clinicians serve in health center sites.

Indeed, the JAMA study mentioned above also found a high degree of reliance among health centers on providers fulfilling a service obligation under the NHSC program, state loan repayment programs, and the J-1 visa waiver program. Overall, 30% of health center physicians and 26% of dentists are fulfilling a service obligation under one of those programs. Again, the highest such reliance was among rural and inner-city health centers, where up to 45% of the current workforce consists of either NHSC, state loan repayment and J-1 visa waiver obligors.

The threat of a public health emergency is a second critical challenge for health centers in the 21st century. Health centers in Mississippi, Alabama, and Louisiana were hard hit by Hurricane Katrina. In these Gulf Coast states, approximately 54 health center grantees in 302 communities serve nearly 750,000 patients. For many communities, the health center is the first place people turn in the event of a public health emergency. Indeed, health centers worked with other responders to provide services to those affected by the disaster and HHS expedited funding to open new centers in areas most directly impacted by Katrina in order expand access to health care services. Health centers from California to Maine have treated tens of thousands of hurricane evacuees, and many centers nationwide sent medical teams and mobile health vans to the Gulf Coast to help their fellow health centers besieged by people in need of medical treatment. However, their current Federal Tort Claims Act (FTCA) medical liability coverage did not cover them once they crossed state lines because of a ruling by HHS limiting such coverage.

The experience of many health centers who mobilized to help their sister health centers in the wake of Hurricane Katrina points to the need to update the FTCA statute to ensure liability coverage for other health centers and their employees who travel offsite to provide care at health centers affected by a public health emergency. HHS has indicated that FTCA coverage is only available within a state, therefore limiting health center medical staff that could travel to help serve displaced individuals. A center in one state may be the nearest source of primary care

should an emergency occur in another state. Texas is bearing a heavy burden of support for victims from Louisiana. Many centers across the country stand ready to help our Texas centers, but under HRSA's interpretation, they cannot do so. We can see no reason for limiting this to state lines in emergencies and we strongly urge the Committee to enact H.R. 3962, legislation sponsored by Rep. Joe Schwarz, and cosponsored by several members of the Committee, which would address this issue before the start of the 2006 hurricane season.

Additionally, the FTCA must also be modernized to allow health centers to better address these looming physician shortages I outlined earlier. Health centers would like to better utilize volunteer physicians to help meet this need; however, the confusion surrounding medical liability coverage often makes this prohibitive. Unfortunately, the liability protection afforded to health center physicians under the FTCA does not currently cover doctors who wish to volunteer their time – causing undue difficulty at health centers. In turn, health centers have been reluctant to recruit volunteer physicians for fear that their current malpractice coverage may be inadequate or insufficient. NACHC and health centers support H.R. 1313, legislation sponsored by Rep. Tim Murphy that would extend FTCA coverage to physicians who volunteer to provide care to health center patients. We believe that H.R. 1313 will provide immediate assistance to health centers to address workforce shortages and, most importantly, give doctors a chance to make a real difference in communities. NACHC and health centers look forward to working with the Committee to address these challenges as health centers continue their mission and work to deliver health care services to underserved individuals and families.

Reauthorization Key to Historic Expansion of Access Through Program

Health centers recognize the relationship between timely program reauthorization and continued funding and believe that expedited reauthorization will make it possible for even greater expansion of access to affordable, high-quality health services to underserved communities. Additionally, the core elements of the Health Centers statute ensure that health centers funded by Congress will be held to the highest possible standards and will be accountable to the patients and communities they propose to serve.

I want to briefly expand on our vision for the expansion of the Health Centers program in order to provide further guidance to the Subcommittee on the funding authorization level beyond FY

2007. In 1999, bipartisan Congressional Resolutions introduced in the House and Senate recognized the importance of continued growth in the federal investment in health centers. The resolution endorsed the doubling of Health Center appropriations over five years. Combined with President Bush's expansion initiatives, this goal has nearly been achieved, and as a result, millions more Americans have access to the affordable, effective primary and preventive care available at our nation's health centers.

NACHC and health centers are deeply grateful to Congress for its support of the Health Centers program. In Fiscal Year (FY) 2006, Congress appropriated $1.78 billion in overall funding for the Health Centers program. The increases since 2001 have enabled hundreds of additional communities to participate in the Health Centers program and to deliver community-based care to more than 4 million people in the past 4 years. We are also very grateful that Congress has provided additional funding for base grant adjustments for existing health centers, which have seen unexpected increases in the number of uninsured patients coming through their doors at the very same time they continue to battle the continuously rising cost of delivering health care in their communities. These base grant adjustments have allowed health centers across the country to stabilize their operations and continue to provide care to their existing patients, while also looking for ways to expand access to necessary care.

We also appreciate the President's strong support for the program and his request for a $181 million increase in FY 2007, which would bring overall health center funding to $ 1.963 billion. This year we expect health centers to serve 16 million people in every state across the country.

Despite the expansion of the program, the demand for health centers is at record highs – in 2004, we estimate that there were over 430 applications for new access points, only 91 of which received funding – a 21 percent success rate. Indeed the application process is rigorous, and it should be. Health Center program funds are awarded on a nationally competitive basis, ensuring that the highest possible quality projects receive approval.

Yet the need for these services is still largely unmet. 36 million Americans remain underserved today – individuals and families with little or no access to medical care. With continued growth

in the program and in the federal investment, health centers can continue the successful expansion effort in order to meet that need.

NACHC believes that a growth rate of 15% over the next five years in the program authorization level will enable health centers to serve over 20 million Americans by 2010. Indeed, at this rate, health centers will meet the need in America and rise to the challenge of their charter – to serve all of the underserved within fifteen years.

Given the increasing need for health centers, we are extremely grateful that the President has committed to continue the growth of the program by announcing the continuation of his Health Center Expansion Initiative into the future. This new announcement will focus on placing new health centers in poor counties that currently lack a health center site, a very ambitious goal. Our own analysis indicates there are more than 920 poor counties without a center today. Through this continued expansion, we believe that millions of additional patients will have access to care at a health centers in the foreseeable future. We commend the President for his continued support of the Health Centers program and we look forward to working with Congress to ensure that it soon reaches every community in need.

Conclusion

Health centers appreciate the unwavering support of Congress for the program over the past four decades. Over that period, health centers have produced a return on the federal investment in the program, by providing access to care and a health care home to millions of patients in medically-underserved communities across the country. Because Congress has continued to reaffirm the core elements of the program; that health centers are open to all, run and controlled by the community, located in high need medically-underserved areas, and provide comprehensive primary and preventive services, the program has successfully responded to the challenges posed by our ever-changing health care system. On behalf of health centers across the country, their staffs, and the patients they serve, we stand ready to work with you to ensure that the Health Centers program is reauthorized this year in order continue to providing a health care home for everyone who needs their care. Thank you once again and I would be happy to entertain questions from the Committee.